

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, D.C. 20554

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**SEP 13 1995**

**FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY**

In the Matter of )

Amendment of Parts 21 and 74 of the Commission's )  
Rules With Regard to Filing Procedures in the )  
Multipoint Distribution Service and in the Instructional )  
Television Fixed Service )

) MM Docket No. 94-131

and )

Implementation of Section 309(j) of the )  
Communications Act - Competitive Bidding )

**DOCKET FILE COPY ORIGINAL**

) PP Docket No. 93-<sup>253</sup>~~523~~

**PARTIAL OPPOSITION TO PETITIONS FOR RECONSIDERATION**

**THE WIRELESS CABLE ASSOCIATION  
INTERNATIONAL, INC.**

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September 13, 1995

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## EXECUTIVE SUMMARY

The petitions filed in response to the *MDS Auction Order* show a great deal of consensus within the wireless cable industry. However, there are a few issues on which WCAI disagrees with petitions filed by others seeking reconsideration.

First, the Commission should retain its MDS "small business" definition. Consistent with the policies the Commission has applied in other services, the definition adopted in the *MDS Auction Order* has been set so that the beneficiaries will include smaller entities that have the financial wherewithal to succeed in the competitive multichannel video programming distribution marketplace. Those who advocate that the Commission employ the Small Business Administration's definition ignore that the SBA itself recognizes its definition is inapplicable in the communications arena, and that the SBA definition has been rejected in services with lower capital costs than wireless cable.

Second, Bell Atlantic's proposal for expediting station construction should be rejected, as it does not adequately protect incumbent MDS and ITFS facilities from interference. No BTA authorization holder should be permitted to construct and operate MDS stations until the licensees of nearby facilities have a reasonable opportunity to review and object to proposed new facilities.

Third, one of the most controversial issues before the Commission is the question of the appropriate interference protection obligations of ITFS applicants to BTA authorization holders. While WCAI has been unable to develop a compromise settlement, it believes, at a bare minimum, that the Commission can partially resolve the debate over the post-auction rights of ITFS interests by adopting WCAI's proposal permitting ITFS modifications that do not increase the power flux density above -73 dBw/m<sup>2</sup> at the boundary of the ITFS station's protected service area.

Finally, the Commission should reject the argument that it is not authorized to utilize competitive bidding in the awarding of BTA authorizations. The *MDS Auction Order* makes clear that BTA authorizations are "initial licenses" -- precisely the sort of authorization the Commission is authorized to auction. Using competitive bidding to award BTA authorizations is fully consistent with the letter and the spirit of Congress' directives to the Commission.

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Television Fixed Service	)	
	)	
and	)	
	)	
Implementation of Section 309(j) of the	)	PP Docket No. 93-523
Communications Act - Competitive Bidding	)	

**PARTIAL OPPOSITION TO PETITIONS FOR RECONSIDERATION**

The Wireless Cable Association International, Inc. ("WCAI"),<sup>1/</sup> by its attorneys and pursuant to Section 1.429(f) of the Commission's Rules, hereby opposes certain of the petitions seeking Commission reconsideration of rules and policies adopted in the *Report and Order* in this proceeding ("*MDS Auction Order*").<sup>2/</sup>

The petitions submitted in response to the *MDS Auction Order* evidence substantial

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<sup>1/</sup>WCAI is the trade association of the wireless cable industry. Its members include licensees in the Multipoint Distribution Service ("MDS") and the Instructional Television Fixed Service ("ITFS"), the operators of virtually every wireless cable system in the United States, program vendors and equipment manufacturers. WCAI has been an active participant throughout this proceeding, submitting formal comments and reply comments in response to the *Notice of Proposed Rule Making* and a Petition for Reconsideration and Clarification of the *MDS Auction Order*.

<sup>2/</sup>*Amendment of Parts 21 and 74 of the Commission's Rules With Regard to Filing Procedures in the Multipoint Distribution Service and in the Instructional Television Fixed Service and Implementation of Section 309(j) of the Communications Act - Competitive Bidding*, MM Docket No. 94-131 and PP Docket No. 93-253, FCC 95-230 (rel. June 30, 1995)[hereinafter cited as "*MDS Auction Order*"].

consistency within the wireless cable industry on virtually all issues. Most significantly, almost every party participating in this phase of the proceeding joined with WCAI in calling upon the Commission to repeal the ill-conceived right of first refusal afforded the Basic Trading Area ("BTA") authorization holder with respect to leases of excess capacity on ITFS stations within its BTA.<sup>3/</sup> WCAI's proposals for consistent MDS and ITFS interference protection rules<sup>4/</sup> and for clarification of the interference protection obligations owed incumbents were also echoed by others.<sup>5/</sup>

The petitions also include a variety of new proposals that WCAI supports. For

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<sup>3/</sup>See Petition of Wireless Cable Ass'n Int'l, MM Docket No. 94-131, at 3-11 (filed Aug. 16, 1995)[hereinafter cited as "WCAI Petition"]; Petition of Area Commission of Greenville Technical College, *et al.* for Reconsideration and Clarification, MM Docket No. 94-131, at 3-6 (filed Aug. 11, 1995)[hereinafter cited as "Dow, Lohnes Petition"]; Petition of Hispanic Information and Telecommunications Network, MM Docket No. 94-131 (filed Aug. 16, 1995); Petition of Instructional Telecommunications Foundation for Partial Reconsideration and Clarification, MM Docket No. 94-131, at 6-9 (filed Aug. 11, 1995)[hereinafter cited as "ITF Petition"]; Petition of National ITFS Association for Reconsideration, MM Docket No. 94-131, at 2-3 (filed Aug. 16, 1995)[hereinafter cited as "NIA Petition"]; Petition of Network for Instructional TV, MM Docket No. 94-31, at 3-5 (filed Aug. 16, 1995)[hereinafter cited as "NITV Comments"]; Petition for Reconsideration and Clarification of Pacific Telesis Enterprise Group, *et al.*, MM Docket No. 94-131, at 6-7 (filed Aug. 16, 1995)[hereinafter cited as "PacTel Petition"]; Petition of Schwartz, Woods & Miller for Reconsideration, MM Docket No. 94-131, at 5-12 (filed Aug. 15, 1995); Petition of Trans Video Communications, Inc. for Partial Reconsideration and Clarification, MM Docket No. 94-131, at 2-5 (filed Aug. 16, 1995)[hereinafter cited as "TVC Petition"]; Petition of United States Wireless Cable, Inc. for Reconsideration and Clarification, MM Docket No. 94-131, at 2-4 (filed Aug. 16, 1995)[hereinafter cited as "USWC Petition"].

<sup>4/</sup>See WCAI Petition, at 20-22; TVC Petition, at 5-7; Dow, Lohnes Petition, at 8; NIA Comments, at 4; NITV Petition, at 6.

<sup>5/</sup>See WCAI Petition, at 22-23, 30-31; Petition of American Telecasting, MM Docket No. 94-131, at 4-6 (filed Aug. 16, 1995); USWC Petition, at 5.

example, WCAI agrees with Pacific Telesis Enhanced Services ("PacTel") that the Commission should provide bidders with accurate information regarding ITFS applications filed during the upcoming October 16-20 window and MDS applications filed by September 15 prior to the start of the BTA authorization auction.<sup>6/</sup> WCAI also agrees with United States Wireless Cable, Inc. that the Commission needs to revisit recent pronouncements that could undercut contractual relationships between wireless cable system operators and ITFS excess capacity lessors.<sup>7/</sup>

Because these issues are all likely to prove non-controversial, in the interest of brevity WCAI will refrain from addressing them in further detail. Rather, the remainder of this pleading will be devoted to those proposals advanced in response to the *MDS Auction Order* that WCAI either opposes or that require further discussion.

#### **I. THE COMMISSION SHOULD RETAIN ITS "SMALL BUSINESS" DEFINITION.**

If the Commission does nothing else in this phase of the proceeding, it must reject the arguments advanced by A/B Financial, Inc., *et al.* and Betty Brown, *et al.* (collectively, "A/B Financial") and by Pacific Telesis Enterprise Group ("PacTel") for a change in the definition of "small business" used to determine entitlement to installment payments, bidding credits and

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<sup>6/</sup>See PacTel Petition, at 7-8. Assuming that the staff of the Mass Media Bureau maintains its recent speed in releasing public notices of the filing of ITFS and MDS applications, it would appear that bidders will have time to digest the impact of new filings prior to the November 13th start of the auction process.

<sup>7/</sup>See USWC Petition, at 4.

reduced down payments.<sup>8/</sup>

Agreeing with proposals advanced by WCAI and others,<sup>9/</sup> the *MDS Auction Order* adopted rules under which "small business" status will be conferred on entities that, together with affiliates, had average gross revenues of less than \$40 million over the past three years.<sup>10/</sup> A/B Financial and PacTel, however, both call for a reduction in the maximum size of entities entitled to the benefits bestowed on a "small business" to the Small Business Administration ("SBA") standard -- a standard specifically rejected by the Commission in the *MDS Auction Order*.

While adoption of the SBA definition would be a field day for the unscrupulous,<sup>11/</sup> it

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<sup>8/</sup>See Petition of A/B Financial, Inc., *et al.* and Betty Brown, *et al.*, MM Docket No. 94-131, at 9-10 (filed Aug. 16, 1995)[hereinafter cited as "A/B Financial Petition"]; PacTel Petition, at 9.

<sup>9/</sup>See Comments of Wireless Cable Ass'n Int'l, MM Docket No. 94-131, at 61-63 (filed January 23, 1995)(hereinafter cited as "WCAI Comments"); Reply Comments of American Telecasting, MM Docket 94-131, at 17-18 (filed Feb. 7, 1995).

<sup>10/</sup>See *MDS Auction Order*, at ¶¶ 190-192.

<sup>11/</sup>If the "small business" benchmark is reduced as proposed, many wireless cable system operators will be deprived of the benefits and be unable to compete against speculative entities being formed to take advantage of the bidding credits, installment payments and other benefits granted "small businesses." See "The Grifters," *Forbes*, at 138, 142 (Sept. 11, 1995)(reporting on the sale of questionable investments in partnerships proposing to bid for Commission licenses at auction). WCAI is hardly alone in its concern that MDS auctions could lead to rampant speculation and abuse. The National Association of Securities Administrators has already warned that:

Much of the current debate about selling off a major section of the radio spectrum has focused on the issue of how the federal government might best wring every possible dollar of revenue from the process. However, the

(continued...)

would exclude businesses of sufficient size to survive in the competitive multichannel video distribution marketplace. That the SBA definition is inappropriate for use in the communications arena is now beyond dispute. As defined by the SBA for its own purposes, a small business is an entity that, together with affiliates, has no more than a \$6 million net worth and no more than \$2 million in annual profits each of the past two years. However, SBA's own Chief Counsel for Advocacy is on record that this definition is overly restrictive for use in awarding auction benefits, limiting those benefits to companies lacking the financial wherewithal to survive in competitive markets.<sup>12/</sup>

It is little wonder, then, that the Commission has abandoned the SBA definition -- which proved disastrous when used in the Interactive Video and Data Service auction -- and

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<sup>11/</sup>(...continued)

outcome may end up having enormous (even if entirely unintended) consequences for consumers; **this new federal licensing process could serve as the biggest bonanza to date for con artists and other sharp operators** who will waste no time in gearing up a new and even bigger generation of application mills. It is difficult to imagine that the same individuals who have seized upon far more modest opportunities for illicit profit in the cellular telephone and wireless cable lotteries would pass up the enormous -- though no less fraudulent and abusive -- potential that privatizing the radio spectrum will hold for them.

“‘Wireless Cable’ TV Lottery Application Mills,” CCH NASAA Reports, ¶ 8225 (April 1992).

<sup>12/</sup>*See Implementation of Section 309(j) of the Communications Act -- Competitive Bidding*, 9 FCC Rcd 7245, 7268 (1994)[hereinafter cited as “*Auction Second Memorandum Opinion and Order*”].



now considers the characteristics and capital requirements of each service.<sup>13/</sup> The Commission has generally recognized that the SBA standard “is overly restrictive because it would exclude most businesses possessing the financial resources to compete successfully in the provision [of capital intensive services].”<sup>14/</sup> Indeed, the *MDS Auction Order* specifically concludes that application of the SBA definition to wireless cable “would prevent wireless cable companies with the financial ability to construct systems and add subscribers from obtaining the benefits” of “small business” status.<sup>15/</sup>

Significantly, neither A/B Financial nor PacTel provide any evidence that an entity meeting the SBA definition would have the financial wherewithal to construct and operate a viable wireless cable system. Moreover, despite PacTel’s unsubstantiated contention to the

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<sup>13/</sup>See 47 C.F.R. § 1.2110(b)(1). See *Implementation of Section 309(j) of the Communications Act - Competitive Bidding*, 9 FCC Rcd 2348, 2395-96 (1994); *Implementation of Section 309(j) of the Communications Act - Competitive Bidding Narrowband PCS and Amendment of the Commission’s Rules to Establish New Narrowband Personal Communications Services*, FCC 94-219, PP Docket No. 93-253 at ¶ 42-46 (rel. Aug. 17, 1994)[hereinafter cited as “*Auction Third Memorandum Opinion and Order*”]; *Implementation of Section 309(j) of the Communications Act - Competitive Bidding*, 9 FCC Rcd 5532, 5606-08 (1994)[hereinafter cited as “*Auction Fifth Report and Order*”]; *Amendment of Part 90 of the Commission’s Rules to Facilitate Future Development of SMR Systems in the 800 MHz Frequency Band and Implementation of Section 309(j) of the Communications Act -- Competitive Bidding*, FCC 94-271, PR Docket No. 93-144, at ¶ 99 (rel. Nov. 4, 1994).

<sup>14/</sup>*Auction Third Memorandum and Order*, at ¶ 44; *Auction Fifth Report and Order*, 9 FCC Rcd at 5608.

<sup>15/</sup>*MDS Auction Order*, at ¶ 192.

contrary,<sup>16/</sup> the costs of constructing a wireless cable system are comparable to the costs of constructing facilities in other services where “small business” status has been defined as it is in the *MDS Auction Order*. For example, the *MDS Auction Order* correctly concludes that “the capital requirements for certain narrowband PCS facilities appear comparable to or even lower than the capital required to construct a viable wireless cable system.”<sup>17/</sup> As with MDS, the Commission has awarded “small business” status to PCS applicants with average gross revenues for the three years preceding the auction of \$40 million or less.<sup>18/</sup> The Commission has estimated that the cost to construct a narrowband PCS system can be as low as approximately \$50,000 for a BTA system.<sup>19/</sup> A wireless cable operator likely will expend far more capital in order to develop a competitive system. As is recognized by the *MDS Auction Order*, the initial cost of starting a system, before even adding the first subscriber, can range from just under \$1 million for a small, relatively unsophisticated rural system, to several million dollars for a state-of-the-art major market facility.<sup>20/</sup> It is not surprising, then, that

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<sup>16/</sup>PacTel asserts that the infrastructure costs for PCS will be almost twenty times that of wireless cable, but fails to provide any factual basis for its assertion. See PacTel Petition, at 9. Suffice it to say that the record evidence before the Commission in this proceeding, as discussed in the *MDS Auction Order* and summarized below, demonstrates that the capital costs of providing wireless cable and narrowband PCS are sufficiently comparable that identical “small business” definitions are called for.

<sup>17/</sup>*MDS Auction Order*, at ¶ 192 n. 107.

<sup>18/</sup>See *Auction Third Memorandum Opinion and Order*, at ¶ 46; *Auction Fifth Report and Order*, 9 FCC Rcd at 5608-09.

<sup>19/</sup>*Auction Third Report and Order*, 9 FCC Rcd at 2969 40.

<sup>20/</sup>See *MDS Auction Order*, at ¶ 191.

neither PacTel nor A/B Financial has provided any evidence that a wireless cable system can be constructed for less than the cost of a narrowband PCS system.

In short, the Commission's decision to award MDS "small business" status to entities with gross revenues averaging less than \$40 million over the three years prior to the auction is consistent with the Commission's Rules, its precedent in other services, and the policy objectives behind awarding benefits to smaller entities. As such, it should not be disturbed on reconsideration.

## **II. BELL ATLANTIC'S PROPOSAL FOR EXPEDITING STATION CONSTRUCTION DOES NOT ADEQUATELY PROTECT INCUMBENT MDS AND ITFS FACILITIES.**

In its petition, Bell Atlantic urges the Commission to implement a licensing system under which BTA authorization holders would not be required to file long-form applications for specific MDS facilities. Instead, Bell Atlantic suggests that the BTA authorization holder be permitted to construct facilities within its BTA at will, so long as the BTA authorization holder unilaterally concludes that the FCC's interference protection rules are met and files post-construction certifications with the Commission afterwards and serves those certifications upon licensees of nearby facilities.<sup>21/</sup> While WCAI is sensitive to Bell Atlantic's desire to expedite the process of bring new wireless cable service to the public, this proposal introduces an unacceptable risk of harmful interference to subscribers to existing wireless cable systems and to ITFS receive sites.

The fundamental problem with the Bell Atlantic proposal is that potentially affected

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<sup>21/</sup>See Petition of Bell Atlantic Corp. for Partial Reconsideration, MM Docket No. 94-131, at 3-9 (filed Aug. 16, 1995)[hereinafter cited as "Bell Atlantic Petition"].

licensees of nearby facilities will not be afforded an opportunity to address interference concerns to Bell Atlantic or the Commission before suffering interference, for they will have no knowledge of a new MDS station until after the facility is constructed and interference is occurring. Ironically, while Bell Atlantic cites the Commission's process for licensing PCS in support of its proposal,<sup>22/</sup> Bell Atlantic has left out of its MDS proposal a critical element of the PCS rules. In licensing PCS, as in licensing MDS, the Commission has been faced with the task of protecting incumbent spectrum users from harmful interference caused by newcomers. While the PCS rules do not require licenses for individual cell sites,<sup>23/</sup> the rules do require the PCS licensee to engage in prior coordination with incumbent point-to-point microwave users prior to commencing operations and provide a mechanism for Commission resolution of disputes before actual interference is caused.<sup>24/</sup> In contrast, Bell Atlantic's approach provides no opportunity for incumbents to receive prior notice of proposed facilities or an opportunity to object prior to suffering actual interference.

Moreover, Bell Atlantic fails to provide a mechanism for resolving any actual interference that does occur. If the Commission is disposed towards adopting Bell Atlantic's proposal, at a minimum the Commission must provide that when a complaint of interference is filed, the allegedly offending station must cease operations immediately pending resolution of the complaint by the Commission. Otherwise, wireless cable subscribers and ITFS receive

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<sup>22/</sup>*See id.* at 7 n.4

<sup>23/</sup>*See* 47 C.F.R. §24.11.

<sup>24/</sup>*See* 47 C.F.R. § 24.237.

sites may be subject to interference from new facilities that will continue through the course of a complaint proceeding.

In adopting the *MDS Auction Order*, one of the Commission's stated goals was "to assure that the introduction of new MDS service will not result in objectionable interference to the services of incumbent stations."<sup>25/</sup> While WCAI has consistently supported licensing revisions that expedite the introduction of new wireless cable service, the Commission must assure that BTA authorization holders not cause harmful electrical interference. The Bell Atlantic proposal does not afford that assurance.

**III. THE COMMISSION CAN PARTIALLY RESOLVE THE DEBATE OVER THE POST-AUCTION RIGHTS OF ITFS INTERESTS BY ADOPTING WCAI'S PROPOSAL PERMITTING CERTAIN ITFS MODIFICATIONS.**

The various petitions submitted by PacTel, on one hand, and the ITFS community, on the other hand, reflect a fundamental disagreement as to the obligations that applicants for new or modified ITFS facilities should owe to BTA authorization holders.<sup>26/</sup> While WCAI has been unable to develop a compromise acceptable to all parties in the relatively short time since the petitions were filed, WCAI remains convinced that, at a bare minimum, the Commission must afford the licensees of facilities authorized or proposed by the close of the October 20, 1995 ITFS filing window the flexibility to make reasonable facility modifications in the future.

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<sup>25/</sup>*MDS Auction Order*, at ¶ 48.

<sup>26/</sup>*Compare* ITF Petition, at 3-6; NIA Petition, at 1-3; NITV Petition, at 5-6; Dow, Lohnes Petition, at 6-8 with PacTel Petition, at 4-5, n. 8.

Throughout the *MDS Auction Order*, the Commission has acknowledged that licensees of incumbent MDS station must be permitted to modify their facilities following the issuance of BTA authorizations.<sup>27/</sup> The Commission has successfully balanced the rights of incumbent MDS licensees *vis a vis* BTA authorization holders by affording MDS licensees the unfettered right to make future modifications, so long as they do not exceed a power flux density (“PFD”) of -73 dBw/m<sup>2</sup> at their PSA boundary.<sup>28/</sup> In its petition, WCAI called upon the Commission to afford the licensees of ITFS stations authorized or proposed prior to the BTA auctions similar flexibility.<sup>29/</sup>

Specifically, WCAI proposed that any ITFS stations authorized or proposed prior to the BTA auction should be permitted to make modifications so long as the PFD at the boundary of that station’s PSA does not exceed -73 dBw/m<sup>2</sup>.<sup>30/</sup> In light of PacTel’s suggestion that the Commission make available full information regarding pending applications prior to the auction,<sup>31/</sup> WCAI believes the right to make ITFS modifications under its proposal should be limited to those facilities authorized or proposed as of the close of the upcoming ITFS filing window on October 20, 1995.

WCAI recognizes that its proposal does not fully address the concerns expressed by

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<sup>27/</sup>See, e.g., *MDS Auction Order* at ¶ 56.

<sup>28/</sup>See *id.* at ¶ 57.

<sup>29/</sup>See WCAI Petition, at 23-25.

<sup>30/</sup>See *id.*

<sup>31/</sup>See PacTel Petition, at 7-8

the ITFS community regarding potential domination of the ITFS spectrum by BTA authorization holders, and will continue to work towards an appropriate resolution. However, WCAI's approach represents a partial solution, for at least it allows ITFS station modifications in the post-auction environment on the same basis afforded incumbent MDS licensees.

#### **IV. THE COMMISSION IS AUTHORIZED TO UTILIZE COMPETITIVE BIDDING IN THE AWARDING OF BTA AUTHORIZATIONS.**

In its petition, A/B Financial incorrectly asserts that the Commission lacks authority to utilize competitive bidding to award BTA authorizations.<sup>32/</sup> In fact, the use of auctions to award MDS BTA authorizations is well within the Commission's authority under Section 309(j) of the Communications Act, as amended.

A/B Financial is wrong in assuming that merely because the Commission envisions issuing a license for each MDS facility constructed by a BTA auction winner, the BTA authorization itself is not a license that can be auctioned. Certainly, Section 309(j)(1) limits the Commission's authority to use competitive bidding to those situations where "mutually exclusive applications are accepted for filing for any initial license or construction permit which will involve a use of the electromagnetic spectrum." (emphasis added). The BTA authorization, however, is just such an initial license. As the Commission made clear in the *MDS Auction Order*, "the initial license for the BTA service area will be referred to as a

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<sup>32/</sup>See A/B Financial Petition, at 8-9.

“BTA authorization.”<sup>33/</sup>

Moreover, there is no indication either in the language of Section 309(j) or in the legislative history of the Omnibus Budget Reconciliation Act of 1993 (which added Section 309(j)) that the Commission is barred from establishing a two-phase licensing system in which one secures through auction a blanket initial license giving exclusive rights to operate within a geographic region, and then must secure individual authorizations for each particular facility. To the contrary, Congress made clear in Section 309(j)(4)(C) that it intended for the Commission to “prescribe area and designations and bandwidth assignments that promote . . . investment in and rapid deployment of new technologies and services.” That is precisely what the Commission has done here. As the Commission found in the *MDS Auction Order*:

the record indicates that geographic licensing may be the most efficient method to [afford wireless cable operators the flexibility to improve existing systems, introduce new systems and implement digital technologies] in a digital environment, towards which the wireless cable industry is moving. The nature of digital transmissions will allow more flexibility to tailor signal coverage to geographic boundaries using multiple transmitting facilities. We believe that our rules will facilitate the transition to digital transmissions.<sup>34/</sup>

A/B Financial is similarly wrong when it asserts that the use of auctions will result in an undue concentration of control within the wireless cable industry and therefore is inconsistent with the objectives of Section 309(j).<sup>35/</sup> At the outset, Congress made rather plain that it did not intend for concerns over concentration of control to undercut the use of

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<sup>33/</sup>*MDS Auction Order*, at ¶ 39 (emphasis added).

<sup>34/</sup>*Id.*, at ¶ 29.

<sup>35/</sup>*See* A/B Financial Petition, at 7-9.



competitive bidding. As was stated in the Report of the House Budget Committee on the Omnibus Budget Reconciliation Act of 1993:

The Committee does not intend that the Commission should apply any particular antitrust or other test in order to avoid concentration of licenses, but rather should apply a common sense approach. If a single licensee dominates any particular service, or if it dominates a significant group of services, then the Commission should take that into account. The Committee does not intend that this objective dominate the Commission's decision-making when it adopts regulations to implement the competitive bidding process.<sup>36/</sup>

The common sense approach dictated by Congress dooms A/B Financial's arguments. First, there is no factual record to support A/B Financial's implication that only the largest wireless cable system operators will be able to secure BTA authorizations at auction. In fact, even the largest wireless cable system operators are relatively small companies with modest ability to expend scarce financial resources on BTA authorizations. Given the recent well-documented interest of the local telephone exchange carriers and other financially well-healed interests in wireless cable, it is preposterous to assume that a disproportionate number of BTA authorizations will be held by the largest wireless cable entities.

Moreover, even if A/B Financial's dire predictions came true, it is difficult to imagine how the consumer would be harmed. To date, concentration within the wireless cable industry has only helped the consumer, for it has given the larger wireless cable system operators the critical mass necessary to raise the capital needed to fund the addition of subscribers to existing systems and fuel expansion into new service areas. Given the


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<sup>36/</sup>H.R. Rep. No. 103-111, 103rd Cong., 2d Sess. 254, *reprinted in* 1993 U.S. Code Cong. & Admin. News 581.

minuscule portion of the multichannel video programming distribution marketplace enjoyed by the wireless cable industry, the fact that an auction system may increase horizontal concentration within the wireless cable industry itself is hardly problematic.

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## CERTIFICATE OF SERVICE

I, Deanna L. Susens, hereby certify that the foregoing Partial Opposition to Petitions for Reconsideration was served this 13th day of September 1995, by depositing a true copy thereof with the United States Postal Service, first-class postage prepaid, addressed to the following:

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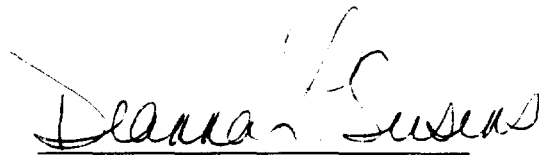
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